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Africa Review



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14 December 1984

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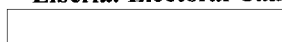
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Liberia: Electoral Campaign Meddling

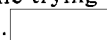
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Head of State Doe is manipulating the electoral process to ensure his victory in the presidential election next year, while trying to preserve an appearance of legitimacy for the contest.



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South Africa: Auto Industry Layoffs

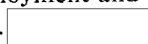
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A planned merger between two automobile manufacturing companies will add to already high unemployment and could contribute to black unrest in South Africa.



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Briefs

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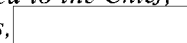
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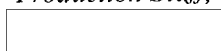
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Articles have been coordinated as appropriate with other offices within CIA. Comments and queries regarding this publication may be directed to the Chief, Production Staff, Office of African and Latin American Analysis,



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Articles

**Mozambique: Facing
Famine?**

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Mozambique faces acute shortages of food over the next six months, although estimates of the severity of the crisis differ. The US Embassy believes Mozambique is receiving sufficient food aid to avert massive famine before the next harvest in April and May 1985. UN relief officials, however, continue to fear a major famine similar to that which killed as many as 100,000 people in late 1983 and early 1984. They claim that food aid in the second half of 1984 has fallen to less than one-half of that committed during the same period last year, partly because international attention has shifted toward the famine in Ethiopia. Food supplies have been reduced by three consecutive years of drought, and a severe shortage of foreign exchange has drastically constrained Mozambique's ability to purchase food abroad.

The severity of the food shortages varies widely from province to province and from district to district within each province. The 2.25 million people most severely affected reside in the Provinces of Inhambane, Tete, Gaza, and Manica, where the threat of famine is greatest, as well as Maputo and Sofala Provinces. These six provinces are the primary targets for current relief operations.

Deeply Rooted Problems

Although many of the food problems can be attributed to the prolonged drought, the agricultural decline began when Mozambique achieved independence in 1975. We estimate that the economy as a whole shrank by one-fourth in the first few years of independence, largely as a result of unrealistic policies and the exodus of almost all middle-class Portuguese. Agriculture was devastated by transport bottlenecks and lack of production incentives, including a chronic scarcity of consumer goods that

**Major Crops in Commercial
Production, 1977-83***Thousand tons*

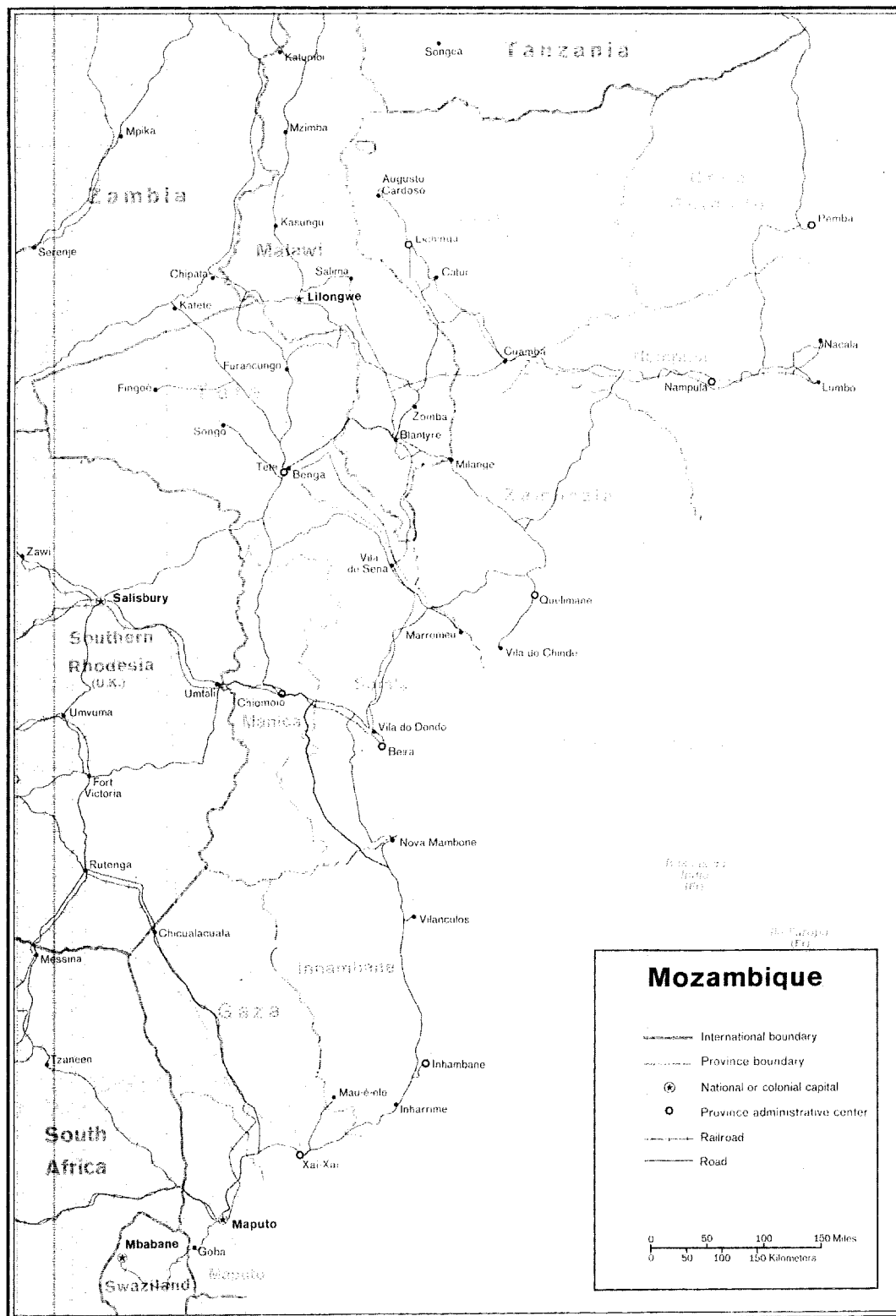
Crop	1977	1978	1979	1980	1981	1982	1983
Cashews	102	74	80	85	90	57	18
Sugar	NA	NA	NA	170	177	126	74
Cotton	53	72	37	65	74	60	23
Tea	74	68	86	90	99	110	51
Copra	48	60	52	37	54	37	31
Citrus fruit	38	36	39	32	36	29	18
Maize	42	70	66	65	84	89	55
Rice	60	44	56	44	35	32	24

depressed farmers' desires to produce for market. By 1977, according to Embassy and press reports, production of key export crops—cashews, sugar, and cotton—had dropped to half of preindependence levels. Further declines in production and a decline in world prices for sugar and cashews since 1980 have added to the reduction in export earnings. Between 1981 and 1983, production of major commercial crops fell by an average of 50 percent.

The large state farms that Maputo promoted at the expense of cooperatives and small private farms have been a failure. State farms have been strongly criticized by some Mozambican leaders for

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The Four Hungriest Provinces

Inhambane

Approximately 400,000 people, or 40 percent of the province's population, are affected by food shortages. The drought has been especially serious in the five districts of Govura, Vilanculo, Massinga, Panda, and Zavala. The situation has improved substantially since the period from mid-1982 to the end of 1983 when some 80 percent of the population needed food relief. There are a number of government-organized camps along the coast and some in the interior. Large numbers of people continue to flee the interior in search of food and security from the insurgents. The World Food Program is active in Inhambane, delivering food to ports along the coast where it is picked up by the government for distribution in the camps and deficit areas. Projected World Food Program deliveries should cover emergency requirements until February 1985. []

Tete

Food shortages plague more than 400,000 people, approximately 50 percent of Tete's population. The most seriously affected districts are Mutarara (accessible only by train), Chiuta (accessible only by convoy due to insurgent activity), Changara (where thousands of returnees from Zimbabwe have settled), Cahora Bassa, Magoe, Moatize, and the city of Tete. An estimated 5,000 people died in the province from famine during the period from December 1983 to February 1984. Compared to last year, the situation is much improved, but food reserves are precariously low for the critical period up until May 1985. The immediate problem is to ensure the supply of food for this period. Thus far the United States has provided 6,000 tons of corn to World Vision for distribution in Tete. The Dutch (14,000 tons) and the World Food Program (3,000 tons) also have provided essential food assistance, but the Embassy still forecasts a deficit of 7,000 tons. It is difficult to move relief supplies to stricken areas as a result of the shortage

of transportation facilities and fuel, but CARE recently acquired over 20 trucks for use in the province and several organizations have donated gasoline for food distribution. []

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Gaza

Approximately 260,000 people are suffering from food shortages, constituting about a quarter of the province's population. Concentrations of dislocated persons have settled in the interior districts of Chibuto and Manjacaze. Reception centers providing food and other relief assistance have been established in both districts. [] in certain areas conditions continue to deteriorate, with the main problems being lack of potable water, a dearth of agricultural implements and seeds, continued drought, paucity of transport, and a lack of medical facilities and medicines. The World Food Program has renewed operations in Gaza and is prepared to deliver food there to respond to increasing demands. A deficit of 4,000 tons remains, however, according to Embassy forecasts. []

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Manica

Food shortages affect 306,000 people, about half of the provincial population. The southern part of the province and the far north are in extremely bad condition, suffering from drought, as well as extensive insurgent activity that severely hampers relief efforts. Embassy reporting indicated that by the end of November a total of almost 22,000 returnees from Zimbabwe were expected to have settled in the district of Mossurize. In the north, the situation is made more severe by the presence of some 10,000 people who fled fighting between insurgents and the government in Tete Province. The Embassy forecasts a deficit of about 5,000 tons after provision of relief supplies as well as a deficit of 3,000 tons in neighboring Sofala. []

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mismanagement and inability to meet production targets. Moreover, the government has acknowledged that it has given "almost no support" to family farms.

The insurgency that plagues many areas of the country also has contributed to food shortages. The rebels have driven many farmers from productive lands and have disrupted the country's transport, agricultural production and marketing, and economic links with neighboring Zimbabwe and Malawi. Added to neglect stemming from administrative incompetence and years of economic decline, these attacks have left transportation in almost total disarray.

Relief Efforts

Mozambique's latest report on the food crisis covers the period September 1984 through April 1985, and projects a 35-percent deficit despite international assistance. Of the anticipated food supply, nearly half will come from donations, one-third from domestic food stocks or production, and one-fifth from commercial imports.

Food relief efforts in Mozambique appear to be fairly effective given the constraints imposed by the insurgency. Mozambique faces few logistic problems in handling food aid at principal ports or in warehouses throughout the country, according to US Embassy sources. On the other hand, transportation from ports to distribution centers and emergency feeding camps has been slowed by numerous bottlenecks as a result of ongoing insurgency throughout the country, as well as inadequate transportation and shortages of fuel. Major food donors are attempting to overcome these problems by providing trucks to support food programs in several provinces. The government has been very cooperative with relief efforts, according to the US Embassy, and there appear to be no major coordination problems among donors.

Political Implications

Even if the Embassy's optimism should prove ill founded and food relief is inadequate to stave off famine during the coming months, the food crisis by itself probably would not endanger political stability. It appears that the regime need only ensure

marginally adequate food supplies to major cities to preclude unrest among a basically docile populace. The insurgency remains the major threat facing the regime, although food shortages probably provide additional recruits for the guerrillas and have hampered the Army's effectiveness in combating the insurgency.

We believe the country's massive food problems have contributed to Maputo's decision to improve relations with the West and South Africa and to institute reforms in the agricultural sector. As Mozambique's food crisis worsened, it became evident that the Soviet Bloc would not contribute substantial amounts of food and that massive assistance would be forthcoming only from the West. During 1983, Western nations and organizations supplied almost all of the 250,000 metric tons of food relief received by Mozambique, and this year the figure may exceed 300,000 tons. The United States is the largest bilateral donor, providing over 70,000 metric tons in fiscal year 1983, and projections for this fiscal year already surpass 100,000 tons. In contrast, the USSR has provided \$13 million in consumer goods to serve as incentives to farmers, but only a few thousand tons of food, including 7,000 tons of rice in late 1983 and 3,500 tons each of fish and baby food this year.

Last year's famine probably also contributed to the regime's decision to sign the Nkomati nonaggression pact with South Africa in March 1984. Mozambique, in our judgment, was motivated by the need to end South African support for the insurgency, which was aggravating the effects of the drought. Moreover, the devastating economic impact of the drought probably made the prospects for increased economic cooperation with Pretoria, which was a major component of the rapprochement, much more attractive.

Continuing food problems also have focused the regime's attention on the shortcomings of the agricultural sector. In our view, Mozambique's disenchantment with Soviet-style state farms and with Soviet Bloc agricultural advisers parallels its frustration over its inability to defeat the insurgency

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Kenya: Coping With the Drought [REDACTED]

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Kenya's drought, possibly the worst to strike the country this century, has created a serious political-economic crisis for the Moi administration. Normally self-sufficient in corn and able to cover about 60 percent of wheat consumption, Kenya will have to import about 1 million metric tons of corn and some 300,000 metric tons of wheat in the year ending 30 June 1985. Scheduled commercial and donor shipments will cover over half of the corn and almost all of the wheat requirements, according to US Embassy reporting. The pace of donor commitments could slow in coming months, however, if donors divert food to other African countries, such as Ethiopia. Nairobi, therefore, may have to step up its commercial import program to meet domestic consumption. [REDACTED]

Nairobi's food distribution is proceeding more smoothly than expected, although logistic difficulties probably have kept the government from reaching some stricken areas. A shortage of private trucks has hampered transport of food from government warehouses to district-level food distribution points. Troubles could intensify if Mombasa, Kenya's sole port, is unable to handle large quantities of bulk grains expected in coming months, if trucks and railcars used to transport food to Nairobi break down more frequently, or if commercial grain imports—[REDACTED]

[REDACTED]—continue to be of poor quality. We have no reports of any major incidents in which the government has failed to coordinate with donors or of any large-scale pilferage of grain shipments. [REDACTED]

The current short rains—usually from October to December—offer hope of mitigating the effects of the drought. If the short rains and the February-May long rains return to normal, there probably would be some food shortfall, although the burden on Kenya's capabilities to distribute foodstuffs would be reduced. The failure of these rains, however, would increase Kenya's food import needs, compound the pressure on

its distribution system, and raise the risk of a breakdown in government services that could foment serious political unrest if it affected urban areas. [REDACTED]

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Although government performance to date makes a severe breakdown appear unlikely, we cannot discount the possibility entirely. In a worst case scenario in which the Moi regime proved unable to meet the challenge, threats to its control might emerge from several sectors:

- The Kikuyu—Kenya's largest and wealthiest tribe that is already alienated by Moi's successful efforts to circumscribe its political and economic power—could use the regime's failure to increase political agitation against him. 25X1
- The military, which Moi depends on as his primary base of support, could turn on the regime if it viewed the Kenyan bureaucracy's chronic inefficiency and corruption as major causes of widespread hunger and unrest.
- Organized labor and students, although quiescent in recent years, have the organizational structure in key areas to mount highly visible demonstrations against the government and could become a catalyst for political opposition. 25X6
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- Parliament and the press, also effectively muzzled over the past several years, could reemerge as major sounding boards for public discontent over the regime's failure to meet the needs of the people. 25X1

Such a situation would not occur rapidly, however, and close monitoring of government aid distribution efforts should provide warning of an emerging crisis. [REDACTED]

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Chad: Food Shortages

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The United Nations estimates that 1.5 million people of Chad's 5.1 million population face possible starvation over the next six months. Food shortages so far this year have resulted in several thousand deaths and some 80,000 displaced persons. USAID in N'Djamena calculates that, although emergency food assistance will total 113,300 metric tons in fiscal year 1984, Chad will still have a shortfall of 160,000 metric tons. World Food Program officials estimate that Chad needs 25,000 metric tons of food to meet its most urgent needs and will require 135,000 tons by October 1985.

Although genuinely concerned about the plight of Chad's civilian population, President Habre, in our view, will always give first priority to the military threat posed by Libyan-backed insurgents. In the past, Habre has sometimes diverted food provided by international donors to his troops. In addition, the appropriation and sale of donor food by corrupt local officials is an ongoing problem. A joint committee of government and donor representatives meets weekly to coordinate and establish distribution plans.

Food aid destined for Chad normally arrives at the ports of Douala, Cameroon, and Lagos, Nigeria—where there have been no serious delays—and then is transported overland. Nigeria has repeatedly held up vital food and fuel shipments destined for Chad because of strict border controls to combat black marketeering and a continuing dispute with N'Djamena over the sovereignty of islands in Lake Chad. The ground transportation network from Douala to Chad can accommodate only about 5,000 metric tons per month, far below the capacity necessary to meet Chad's food needs. All food aid must enter N'Djamena via the Chari River by ferry, but low water levels may prevent its operation by the end of the summer. The government is constructing a semipermanent bridge, which could not be in place

before August 1985. Virtually, all roads from N'Djamena are in serious disrepair, with many in the south and east subject to rebel disruption.

The food problems have been compounded by Chad's chronic political instability since independence from France in 1960. Food shortages have aggravated deep-seated ethnic and regional rivalries and have prevented successive governments from establishing an effective central administration.

Serious food shortages this year are likely to contribute to the erosion of President Habre's control over Chad. A Libyan-backed insurgency has become increasingly effective in recent months in disrupting the economy of the south—the country's major food-producing region—and thereby undermining the popularity of Habre's predominantly northern-based regime. Chronic violence between rival factions has discouraged peasant farmers from planting their fields, while insurgent groups have frequently pillaged food stocks. In our view, the insurgents are likely to continue to employ the tactic of economic disruption to weaken the government.

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Niger: Effects of Drought

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The US Embassy in Niamey estimates that Niger needs at least 350,000 tons of emergency food by the end of the year, when the Nigerien Government reports that its food stocks will be depleted. The United States and other donors plan to provide some 100,000 metric tons of emergency food supplies to Niger in the next few months. Severe drought, affecting nearly half of Niger's 5.8 million people, has resulted in widespread crop failures and the loss of large numbers of cattle and other livestock, raising the prospect of widespread famine. With rainfall this year only 54 percent of the 30-year average, cereal production is less than 50 percent of last year's harvest. AID statistics indicate that agricultural production this year may dip below levels recorded during the great drought of the early 1970s.

President Kountche, a serious and well-intentioned leader, has established an interministerial committee to coordinate government relief efforts and has mounted a campaign to publicize government actions—that have not lived up so far to the expectations of the populace or foreign donors. USAID in Niamey is trying to persuade donors to adopt a common strategy for implementing a major relief effort that is getting under way.

The quantity of emergency food shipments exceeds the capacity of port facilities—Calabar, Nigeria; Lome, Togo; and Cotonou, Benin—now available to receive shipments for Niger. The three ports have a combined capacity of 30,000 tons per month. According to the US Embassy in Lagos, Nigeria has resisted allowing the larger ports of Lagos and Port Harcourt to be used because it wants to revitalize the economy of the underused port of Calabar to revitalize the area's depressed economy.

Serious food shortages and mismanagement of relief during the great drought of the early 1970s were partially responsible for provoking Kountche to mount a coup in 1974 against the corrupt and inefficient civilian regime. Since seizing power, Kountche's military government has raised cereal prices for producers, concentrated investment on food rather than cash crops, and improved storage and distribution facilities, making the country almost self-sufficient in food production until this year's disastrous drought.

Nevertheless, serious food shortages and possible starvation of large segments of the population could again raise the specter of political upheaval in Niger. The potential for urban unrest is likely to continue to increase as growing numbers of rural peasants flock to Niamey and southern cities in search of food and shelter. We believe that President Kountche will be under mounting pressure to ensure that his country's food needs are met—with a minimum of delay, corruption, and inefficiency—and to persuade his fellow Nigeriens to accept a prolonged period of severe economic austerity.

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Mali: Food Crisis

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The Malian Government estimates that its cereal shortfall during the crop year that began this fall will total 480,000 tons, only a little more than the estimate of 471,000 tons by USAID. These estimates exceed last year's estimated shortfall by 150,000 tons and will require an increase of 300,000 tons in food aid deliveries to meet needs fully. Mali has gained some commitments from donors, including 15,000 metric tons promised so far by the United States.

Prospects for relief in the short and medium term are bleak. Important millet and sorghum production zones have been plagued by drought so far this growing season. As a result, malnutrition is endemic, caloric intake has been falling, and high incidences of infectious diseases continue. At least one-fourth of Mali's 7.6 million people face famine, according to press reports, and disease has virtually wiped out children under age one in the Timbuktu area.

Administrative and infrastructure difficulties are the principal obstacles to the distribution of emergency food. Politically, the Traore regime openly admits the severity of the food crisis and is cooperative with all Western donor efforts. Mali, however, lacks a comprehensive food plan, and its national relief agency is a one-man operation. A multidonor agency, along with USAID in Bamako, provides information on donor inputs, but donors have not agreed how best to respond to Mali's emergency needs except for ad hoc arrangements. Mali's transportation network is primitive, especially in the hard-hit northern and eastern regions. Food aid destined for Mali from June to August encountered substantial delays in shipment through the port of Abidjan in Ivory Coast, and we believe shipment problems are likely to continue.

Malian President Traore appears to be fully in control for now. No organized opposition group exists, and dissidents, such as students and trade unionists, remain weak and divided. Any group that aspires to oust him must have the support of the armed forces, which still back the President.

As long as the regime appears committed to combating drought and trying to overcome food distribution problems, we do not believe potentially restive officers can easily capitalize on the issue to stage a coup. In any case, a possible successor would have to cooperate with the West for economic survival. Nevertheless, we believe Bamako and other southern cities are experiencing a major influx of people from drought-stricken areas that will strain limited resources and could highlight inadequacies of the regime's relief efforts.

The threat of famine will continue to grow. Modest policy reforms in the past four years have not offset two decades of inefficient agricultural policies. Mali has no choice but to look to the West, and particularly to the United States, for substantial additional food assistance. The government also must keep corruption and inefficiency within acceptable bounds, lest they become divisive political issues.

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Tanzania: Nyerere Grooming a Successor? [REDACTED]

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Since the sudden death of Prime Minister Sokoine—heir apparent to the presidency—last spring, the question of a successor to President Nyerere, who says he will retire next year, had remained unresolved. Now, however, it appears that Nyerere is grooming Sokoine's replacement, Prime Minister Salim Ahmed Salim, as his eventual successor. [REDACTED]

A Sudden Emergence

Prime Minister Salim, Tanzania's former permanent representative to the United Nations, was a diplomat thrust into a politician's job when he was named as Sokoine's replacement. Despite his lack of political background—he had never served in an elective post prior to his appointment—Salim has made rapid progress in establishing himself in his new position. In late November he was elected unanimously to the important position of Secretary of the ruling party's Defense and Security Commission. [REDACTED]



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Prime Minister Salim Ahmed Salim [REDACTED]

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Several recent developments indicate that Salim has gained Nyerere's trust. He was selected to announce an end to roadblocks that were instituted in 1983 during the campaign against economic sabotage. He also announced the government's plans to liberalize the preventative detention act. Both moves are popular and may gain support for Salim. [REDACTED]

Moreover, the Prime Minister has made some gains in the party through the acquisition of his current, powerful position—his first party post. His ability to secure the party's backing, however, will depend largely on his skill in carrying out the functions associated with his new title. [REDACTED]

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Political Considerations

Several key factors combine to make Salim a viable candidate to succeed Nyerere. As a native of Zanzibar, Salim's selection as president could placate the disgruntled islanders, who continually complain that they are not granted a fair share of representation in the union government. At the same time, his lack of a political power base on the island and his association with only union government positions make him more acceptable to mainlanders. [REDACTED]

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Salim is working hard to expand his support. He already has made significant headway with the military, [REDACTED] The Prime Minister reportedly has made an effort to ease shortages facing the troops and has visited the men personally to listen to their complaints. [REDACTED] Salim also works closely with senior officers and has earned their trust as well. [REDACTED]

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The most important source of support for Salim remains the President's backing. [redacted] the President believes Salim, based on his work at the United Nations, has the correct ideological and international outlook to take on the responsibilities of the presidency. [redacted]

[redacted] Nyerere favors Salim as his successor because, as a newcomer to the ruling party, Salim is the only leader with the ability to moderate disputes between leftists and moderates. Moreover, Salim is dependent on Nyerere's popularity to expand his own base of support. He owes past appointments and his current position to the aging President; Nyerere almost certainly would attempt to use this dependence to ensure that Salim, as his successor, continues his own policies. [redacted]

Constitutional considerations also give Salim an apparent edge. Under proposed amendments to the Tanzanian Constitution currently under review, if the president is a Zanzibari, the prime minister must be a mainlander. (The vice president, who serves concurrently as president of Zanzibar, must always be a Zanzibari.) Thus, if Nyerere were to move Vice President Mwinyi to the position of Union President, Salim—a Zanzibari—would have to be replaced by a mainlander. Although Salim conceivably could take Mwinyi's current position, [redacted] he probably would face fierce opposition from Zanzibar Chief Minister Seif Hammad who wants Mwinyi's job. In addition, Salim's lack of an established power base on the island would undermine his effectiveness as the Zanzibari political leader, further exacerbating difficulties between the island and the mainland. [redacted]

Mwinyi: Salim's Strongest Opponent

There was much speculation for some time that Zanzibar President and Union Vice President Ali Hassan Mwinyi was the leading candidate to replace President Nyerere. He enjoys considerable popular support, particularly on the island. Mwinyi does not have the backing of the military, although, [redacted] he has recently begun to lobby for its support. [redacted]

Mwinyi's popularity among Zanzibaris and his increasing identification with the Zanzibari cause are damaging his chances to succeed Nyerere and are

causing mainland politicians to lean toward Salim as well, [redacted]

Will Nyerere Really Retire?

There is growing evidence that Nyerere is serious about his announced plans to step down in 1985. He has publicly announced that he will not present himself as a candidate in the next elections—tentatively set for July 1985 with the change of office taking place in October.¹ Nyerere's attempts to expand his own power in the party, however, indicate that he intends to continue to exert control over the country through his position as party chairman—a post he will maintain after relinquishing the presidency. [redacted]

[redacted] The fact that he is talking seriously about sponsoring a successor suggests his determination to follow through. [redacted]

Outlook

Although indications point to Nyerere stepping down in favor of Salim, the possibility remains that he will delay his retirement—as he has done in the past. In the months ahead, Salim could fall out of favor, resulting in a delay by necessitating the selection and grooming of a new successor. In addition, if Nyerere

¹ Tanzania's ruling party chooses the sole presidential candidate whose name subsequently appears on the ballot in a public referendum. [redacted]

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does not get the increased powers he seeks as party chairman, he may decide to stay on as president to buy time for another attempt. [REDACTED]

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For his part, Salim almost certainly will focus his efforts on building much-needed popular support before the elections. A successful effort would reduce his dependence on Nyerere's backing and give him greater independence in policy direction when—and if—he assumes the presidency. [REDACTED]

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[REDACTED]

Liberia: Electoral Campaign Meddling []

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Head of State Doe is pursuing an elaborate scheme to ensure his victory in next year's presidential election while retaining an aura of legitimacy over the process. Doe has intimidated opposition parties, but his methods have cut into his popularity, which the US Embassy reports is at an all-time low. []

Doe's manipulation of the electoral process is in keeping with Liberian tradition. As the first leader representing the country's indigenous tribal majority, Doe is continuing precedents established under 133 years of rule by the formerly dominant Americo-Liberian elite that is descended from freed American and West Indian slaves. []

Manipulating the Process

Doe's tactics are designed to ensure that he controls the civilian government he has promised to install by January 1986, according to the US Embassy. He has interfered with the registration of parties other than his own National Democratic Party of Liberia. He also has harassed campaign workers of rival parties, sought to force government employees into his party apparatus, and engaged in character assassination of opponents. Although Doe's moves appear to be working in the short term, we believe they could undermine his tenure over the long haul. []

The US Embassy reports that Doe has often changed the rules of the election game just as his opponents learn how to deal with them. Many opposition leaders have been confused by conflicting regulations emanating from the Special Elections Commission—headed by one of Doe's cronies—regarding the status of their parties. For example, after the Commission delayed publishing guidelines for party registration, it set financial hurdles which many political aspirants have criticized as excessive. The Commission also has imposed a Catch-22 situation on opposition parties by refusing to permit them to solicit funds until they first deposit a registration fee of \$150,000 in cash and securities. []

Opposition leaders have told US Embassy officers that Doe's party members and government officials have systematically harassed their field workers. Several members of other parties have been dismissed from government jobs after refusing to aid Doe's party. Other opposition party workers have been held by police for canvassing in the countryside. Doe has even jailed some opposition figures for alleged involvement in coup plots, tax evasion, and criticism of the government. []

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Many observers now consider the bureaucracy part of Doe's political machine. The US Embassy reports that county supervisors are permitted to become party chairmen for Doe's party, but not for other parties. Members of the Interim National Assembly reportedly are canvassing openly for Doe, as are government ministers and members of the armed forces. []

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Doe's attempts to circumscribe opposition activity has forced some opponents underground. Clandestinely prepared pamphlets signed by nearly a dozen would-be political groups have appeared on the streets of Monrovia in recent months. The authorities recently arrested several alleged authors—student activists who broke away from Liberia's moderate parties. Some pamphlets have made vague allusions to possible violence against government and US interests should Doe abort the electoral process. We doubt that Doe would do so, however, except as a last resort to forestall his defeat at the polls. Despite Doe's harassment of the opposition and his hints to the US Ambassador that he fears that the security situation will deteriorate, Doe has indicated on balance that he wants to go through with elections and to portray them as legitimate. []

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Doe's methods, however, have further eroded his already flagging popularity. Informal soundings by the US Embassy indicate that he has lost support among many groups, including civil servants and labor. Moreover, his actions have made other political figures wary of becoming associated with the Head of State. Gabriel Baccus Matthews, for example, head of the United People's Party and Doe's leading challenger, turned down Doe's offer to merge their parties, [REDACTED]

in the Guard contrast their failure to receive pay for two to three months with Doe's handouts of fresh \$100 bills to civilian supplicants, [REDACTED]

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[REDACTED] Doe's conspicuous consumption includes a personal garage of 59 vehicles, as well as 18 for guests, and 14 for his wife, which contrasts with the 12 allocated to the 1,300 members of his personal security forces. [REDACTED]

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[REDACTED] Doe may no longer be able to take his support in the armed forces for granted. [REDACTED]

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We believe arrests of recently returned exiles charged with plotting to assassinate Doe will fuel his fears of threats to the regime. Doe's uncharacteristically moderate response to this latest plot may be fleeting. He has used previous allegations of plotting as pretexts to jail or otherwise neutralize rivals. Doe could use the most recent plot to arrest leaders of parties with whom the plotters had loose ties in the distant past, further calling into question his commitment to a free and open electoral process.

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Storm Clouds Brewing

Doe's preoccupation with the election campaign has diverted his attention from the continued decline of Liberia's economy, which is adding to simmering popular discontent. Salary payments are overdue for government employees and members of the military, and debt arrears are mushrooming. Doe's refusal to replace inept economic ministers also has alienated senior civilian and military advisers. [REDACTED]

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The US Embassy reports that incidents of military indiscipline and harassment of civilians are increasing and that at least one soldier has been executed by the regime to deter such activity. Military officers have been paid through last August and enlisted men through September. The Embassy has heard that Doe has ordered all military salaries be paid in full by Christmas even if this means a freeze on government payments of all other outstanding bills. [REDACTED]

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Doe's treatment of his Executive Mansion Guard, whose loyalty is crucial to his survival, has been particularly cavalier in recent months. Enlisted men

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South Africa: Auto Industry Layoffs

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Unemployment in South Africa's eastern Cape Province will rise if a merger takes place between Ford Motor Company of South Africa and Anglo-American's Amcar. Merger plans include shifting passenger vehicle production to Johannesburg at the cost of over 2,000 auto jobs in the eastern Cape,

[redacted] US Embassy sources report that each layoff will result in four additional layoffs in related industries. [redacted]

Most of those to be dismissed are black, and community leaders fear that greater unemployment could add to simmering unrest in the eastern Cape, already hard hit by the South African economic recession. The eastern Cape is the hub of auto worker trade unionism and a center of black political activism. Although the current situation appears less explosive than it did a few months ago, the layoffs will add to the potentially dangerous combination of already high adult unemployment, school and bus boycotts, and the rapid influx to urban areas of homeless blacks from the drought-stricken countryside.

[redacted]

As recently as 1966 the eastern Cape's largest city, Port Elizabeth, produced 60 percent of South African cars. Its current market share is about 30 percent. The eastern Cape is far from the major car-buying market in South Africa's Transvaal Province, and even after allowing for a 40 percent rebate on freight charges that the government enacted to promote industrial decentralization, auto companies in Port Elizabeth face an additional cost in transport fees of about \$50 per car relative to their competitors in the Transvaal. [redacted]

The projected merger between Ford and Amcar is prompted by a declining market share for each company and by what has been described as the South African auto industry's worst slump. [redacted]

[redacted] the South African auto market is

too small to support the 11 manufacturers that produce some 40 models, especially given the country's recession, high interest rates, sales tax increases, and recent consumer credit restrictions. According to press reports, total vehicle production has been cut 30 percent since July, and October vehicle sales ran 20 percent below already depressed October 1983 sales. A total of 3,200 workers have been laid off by manufacturers, and virtually all those still working are on reduced hours. Moreover, although we expect some improvement in auto sales during 1985, the pace of the auto industry recovery probably will be limited by the near saturation of the car market among white buyers and by slow growth in nonwhite purchasing power. [redacted]

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Some South Africans probably will suspect that the merger of Ford and Amcar is motivated by more than simple economic considerations, and that it signals only the first move by a US corporation to assume a lower profile in the country. Ford has a reputation in South Africa for being close to the forefront of organizations demanding expanded economic, civil and political rights for nonwhites, and for criticizing campaigns for divestiture of US corporate interests. After the merger, the new company will be 60 percent Amcar-owned, [redacted]

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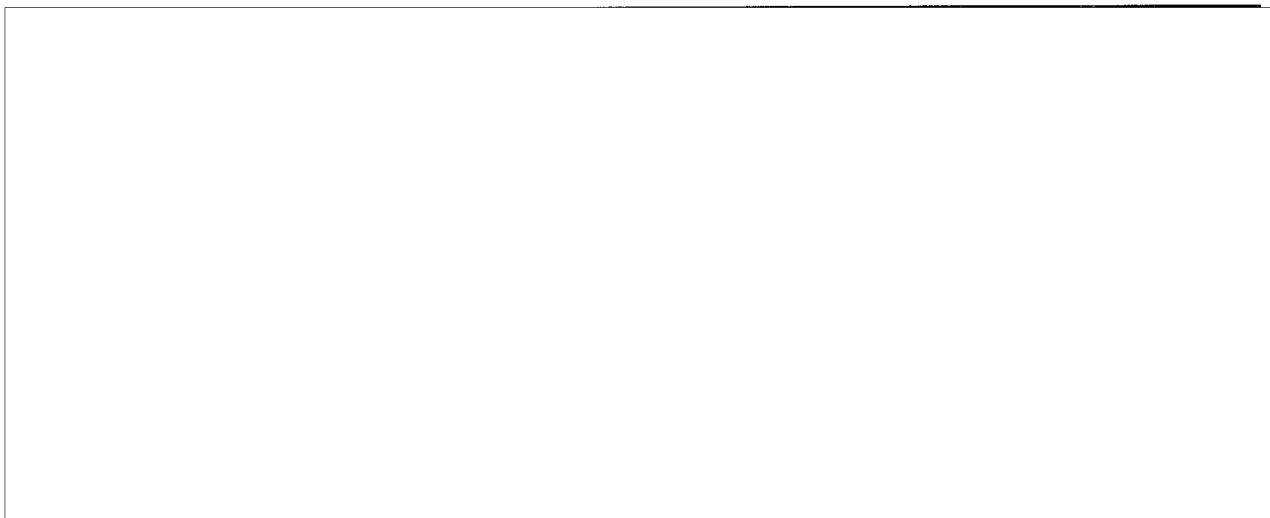
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Africa Briefs

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Tanzania

Moves Toward Private Investment



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Tanzania is taking some initial steps toward opening its economy to private investment. The centerpiece is the Kilwa Ammonia Manufacturing Company, known as Kilamco. The company is owned jointly by a government parastatal, the Tanzania Petroleum Development Corporation—the majority shareholder—and a US firm, AGRICO Overseas Investment Corporation. Plans call for plant construction to be completed by 1988. When fully operational, an estimated 5 percent of the plant's production capacity will meet Tanzania's yearly fertilizer needs, with the remainder available for export to bring in desperately needed foreign exchange. Profits will be deposited in an overseas escrow account, with a percentage set aside for debt service. According to press reports, this financing package helped to attract private investment by removing risks associated with the deteriorating Tanzanian economy and Tanzania's record of failing to make debt-service payments. 

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US Embassy sources report that the government also has attempted to convince at least one private Tanzanian corporation to take over several factories nationalized in the 1970s, reportedly because the government recognizes that it cannot manage

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them efficiently. This suggests that President Nyerere will try to unload at least some of the inefficient, nearly bankrupt parastatals burdening the Tanzanian economy.

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Although these unprecedented overtures to private investors may spur further commercial interest in Tanzanian projects, they do not signal a sudden, dramatic shift toward capitalism. Rather, Nyerere is likely to continue to promote his socialist policies while trying to use private investment to sponsor projects—such as Kilamco—from which parastatals can reap profits.

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